v 21	Manage Incomposation and the Incomposated	oldines II	rornorate		The state of the s	v
	National Porge Company as		4:		Projected Performance	rformance
		47	N. Jut. Rate	F-1	Term (Yrs Remaining)	aining)
	NW Forgelnasters Overthalt	\$228	\$602	\$856	\$794	\$416
	Beginning Balance	(374)	(254)	62	378	362
	Principal raying (Dollowing)		· 0	0	0	0
	Prepayment	र च च	95	7.9	51	63
	Interest Payment Ending balance	602	856	794	416	54
	Total P&1	(\$330)	(\$118)	\$126	\$429	\$425
			9.0	,	Term (Vrs Remainine)	(ølining)
	MS Capital Equipment Lease		ini. Kaie	1 6	0003	5547
	Beginning Balance	\$1,282	\$1,203	117,14	2770	- F. 12.5
	Principal Payment (Borrowing)	6/	(g) :	- 3	r r	; <
	Prepayment	0 :		0 0	7.3	3, 50
	Interest Payment	118	<u> </u>	COL	٠ <u>.</u>	3
	Ending balance	1,203	1,211	066	547	>
	Total D.&.	\$197	\$107	\$326	\$516	\$573
	70(8)					
. 3	:	2	NIA Tat Date	٢	Term (Yrs Remaining)	naining)
	MS Capital Equipment Loan	3	ווור זיפור		0.5	03
	Beginning Balance	04	9		3	
	Principal Payment (Borrowing)	0	٥	>	> <	
	Interest Payment	C	0	¢	0	0
	-Ending balance	0	0	0	0	0
	<i>(</i> , , , , , , , , , , , , , , , , , , ,	;	•	6	Ç.	9
	Total P&I	20	20	OA .		
		%5 6	Avø Int Rate (6.11427782	Avg Term (Yrs Remaining)	s Remaining)
	I dtal Debt	872 308		\$21.819		\$8,168
	Beginning Baiance	0001100	087.78	\$6.425		\$2.684
	Principal Payment (Borrowing)	601,00	(0)'''	CT		\$0
	Prepayment	000	6	6	6	\$624
	Interest Payment	\$3,099	\$2,550	41,0,14	9	707
	Ending balance	29,609	21,819	15,394	8,108	404,0
		58 337	\$9,527	\$7.346	\$6,993	\$1,808
	lotal reci				11	
	Short Terms Debt	7,789	6,425	7,225	2,684	54
	I on Term Debt	21,819		8,168		5,430

National Forge Company Holdings, Irrorporated

Jun-01 Jun-02 Jun-03 Residual		\$4,611	. !	\$ 3,122 \$ 3,363 \$ 3,637 \$ 3,912 \$4,419	\$31,005 \$32,236 \$33,171 \$33,870 (3,363) (3,637) (3,912) (3,912) (4,594 4,594 4,572
Jun-00		\$4,582	\$917	3,122 \$	\$29,545 (3,122) 4,582
12 Months Jun-99		\$4,590	\$459 3,740	\$ 2,802 \$	\$27,757 (2,802) 4,590
-	DEPRECIATION SCHEDULE	Capital Expenditures Req'd.	Total Depreciation on New Assets Depreciation on Existing Assets	Total Depreciation Expense	Beginning Fixed Assets Less: Depr. (see Assumptions page) Plus: Capital Exp.

Exhibit C: Hypothetical ESOP Valuation – S Corporation Capitalizing Taxes Saved for Ten Years

Incorpor	
dings, Ir	
Jompar" Holdings,]	
$\mathbf{\circ}$	
al Forge	
National	

Jun-04		4.5%		78.6%	21.4%		/81 01	10.1%	59.070	1,057				5.7	ر د د		!	\$4.611	ail)" abov	4.3%	0.3					14.1	13.8	Seed	Assets			4.1	4.1			Grough		Trai	s Amortiz	% of 1rans Co	
Jun-03 Jur		4.3%		78 6%			ò			1.057 \$,			5.7	v	4 	i F	\$4.611	GS & SGA deta	4.5%	0.3					14.0	13.8	keep constant	or % of Total A			3.4	3.4			1 miled Deal Growth	Implica vea		Trans Costs Amortiz	% ot	
Jun-02 Ju		2.8%		70 507	71.5%	<u>.</u>		10.6%	39.0%	53,637				5.6	٠. د: د	£.4	7.	CA 572	Dept (from CO	4.6%	0.3					13.9	13.5	change to \$0 or	ge to % of Sales or to % of Sales			2.5	3.0			,	4.0% A PV	5,0%	0.0%		
Jun-01		2.1%		è	11.9%	0/1:77		10.7%	39.0%	\$3,363	'g Depreciabl			5.6	5.6	2.4	4.	F 63	\$4,590 \$4,590 \$4,590 \$4,590 \$4,594 Pased on "Total Dept (from COGS & SGA detail)" above	4.8%	0.3					13.8	13.7	25% of Current Years Taxes (default), or can change to \$0 or keep constant	Fixed at LTMS amount (default), or can change to % of Sales of 24 of 1 out Assets	מוני), לוו כפוו כזווווי		1.9	2.9		Current year		LTM Inflation	DLOM	Minority Discount		
Jun-00		(0.8%)			80.4%	19.0%		11.1%	39.0%	\$3,122	Years Av		ıt	5.5	5.6	4.2	C!	amount	54,582 Pioleo is value	4.9%	0.3	amount	amount	samount	s annount	14.0	14.1	Years Taxes (S amount (defiu Famount (defiu	s amount (uctar S amount	S annount	1.9	2.8	S amount	Last Year (not LTM) + NI of Current year		יי היי	ξ.	Mino		
12 Months Jun-99		8.0%		:	79.7%	20.3%		11.0%	39.0%	\$2,802	K 01 8		Residual Account	5.6	5.5	4.2	4	Fixed at LTM S amount	\$4,590 The Ulaborical (4.8%	0.3	Fixed at LTM S amount	Fixed at LTM \$ amount	Fixed at L IM & amount	Fixed at LTM S anrount	12.8	13.8	25% of Current	Fixed at LTM S	Fixed at L. UN S annount	Fixed at LTM \$ annount	1.8	2.7	Fixed at LTM 5 amount	Last Year (nof		4.5%	13.6%	\$29,519		\$56.084
	Assumptions	Income Statement Assumptions Revenue Growth	Historical COGS as a % of Rev	Historical Adj to COGS (in \$)	Going-forward COGS as a % of Rev	Going-forward Gross Profit margin	Historical SGA as a % of New (04 2001) Historical Adi to SGA (in \$)	Going-forward SGA % of Rev. (b4 Depr)	Tax Rate	Total Depr., (from schedule or input)	Amortization Avo Depreciable Life (Future)		Balance Sheet Assumptions	Cash	A/R Turnover (Sales/A/R)	Avg Inventory Turns (COGS/Avg Inv)	Inventory Turns (COGS/Inv)	Other CA	Capital Expenditures	Error Message for Capex	Cap EX as a 70 of Nevellues Fixed Assets/Rey	Investments & Advances - Eq. Method	Investments & Advances - Other	Intangibles	Deferred Charges	Other Assets	Avg. A/F 1ums (COGS/Avg A/F)	Income Taxes Payable	Other Current Liabilities	Other Liabilities	Deferred Taxes	Charact Datio	Current Ratio (excl. Cur. Debt)	Pfd. Common, & Capital Surplus	Retained Earnings	Valuation Assumptions	Perpetuity Growth Rate	Discount Rate	% of 1st Year's CF to include Pre-Transaction Debt		and Tenne MC Value
00	06-1110	(0.2%)	81.6%	50	81.6%	18.4%	10.4% 02.	10.4%	37.7%	\$4,700	20			36,330	5.2	3:8	3.9	0.9%	\$4,129	8	%,7.4	80.5	20	\$10,373	\$6,235	59,837	13.1	\$369	\$9,355	\$33,010	03.6	200	0.1	\$17.438					\$20 \$10	(10,040	
	Jun-9/	(1.1%)	79.5%	%C.U2 %C	79.5%	20.5%	10.9%	%5 U1	36.4%	\$3,187	20	5. 	- ;	53,341	5.7	3.6	3.7	0.8%	\$5,074	S,	5.8%	C. OS	30	\$4,619	\$6,443	\$10,463	13.9	5.21 \$0	\$8,333	\$32,119	200	5/7,14	0.7	416 688	200				515 207	104,016	
,	Jun-96	%9 1 1	81.6%	18.4%	81.6%	18.4%	10.2%	36.01	33.6%	\$2,998	80			\$600	8. 4	0. 4.	3.7	0.1%	\$3,274	OK	3.7%	5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0	80	\$4,820	\$7,259	\$11,004	8: ::	13.4	\$7,696	\$31,163	20	\$2,079		511 000	000,116				200	7 + 9 7 7 7 7 9 1	

National Forge Company Hridings, Incorporated

BALANCE SHEET
ASSETS Cash & Short Term Investments
Restricted Escrow Accounts Receivable
nventory
Other Current Assets
Total Current Assets
Property, Plant & Equiprhent - Net
Investments & Advances - Eq. Method
investments & Advances - Other
Intangibles
Defeπed Charges Other Assets
Total Assets
LIABILITIES
Debt in Current Liabilities
Accounts Payable
income taxes rayable Other Current Liabilities
Total Current Liabilities
Danie Datiesment Health Banefit Obligations
Total I on a Term Debt
Total Louis Term Louis
Post Retirement Pension Obligations
Total Liabilities
Drafarrad Stock
Common Stock
Control Sumins
Capital Delipids
Setanicu Bannings Less Treasury Stock, Contra Equity
Total Equities
Total I tabilities & Equities

		2	National Forge Compar" Holdings, Incorporated	dings, Inc	orporate	70	Projected Performance	formance	
T., n. 06	Tun-97	.Jun-98		12 Months Jun-99	Jun-00	Jun-01	Jun-02	Jun-03	Jun-04
oction o			INCOME STATEMENT						
\$88,952	\$87,947	587,801	Net Sales One of Grands Sold (Including COGS Deprec.	\$94,821 75,595	\$94,099 75,694	\$96,061 74,826	\$98,780 77,506	\$103,028	\$107,664 84,656
\$16,344	\$18,015	\$16,167	Gross Profit	\$19,226	\$18,405	\$21,235	\$21,274	\$22,017	\$23,008
\$9,045	\$9,622	\$9,125	SGA (Excl. Depr & Amort) SGA D&A (Incl. Financing Costs Amort.)	\$10,455	\$10,450	\$10,264	\$10,429	\$10,585	\$10,905
\$7,299	\$8,393	\$7,042	Operating Income after Deprec.	\$8,771	\$7,955	\$10,971	\$10,845	\$11,432	\$12,103
(\$683) 0 (3,053)	(\$875) 0 (2,224)	(\$1,057) 0 (1,958)	Other Expense (incl. Fin & Other Amort) Interest Income (NF Components) Interest (Expense)	\$ (1,182) 10 (3,099)	\$ (1,250) 22 (2,550)	\$ (771) 32 (1,844) 0	\$ (742) 3 42 (1,238)	\$ (713) 52 (624) 0	\$ 52 (425) 0
\$3,563	. \$5,294	\$4,027	Special Item Income (Expense) Pretax Income	(\$4,177)	\$4,177	\$8,388	\$8,907	\$10,147	\$11,730
1,196	1,928	1,519	Income Tax	(445)	(247)	(453)	(\$6\$)	(726)	(839)
\$2,367	\$3,366	\$2,513	Net Income before E&D Extra, Income (Expense) & Disc. Operations	(\$4,622)	\$3,930	\$7,935	\$8,309	\$9,421	\$10,891
\$2,367	\$3,366	\$1,790-	Net Income after E&D Preferred Dividends	(\$4,622)	\$3,930	\$7,935	\$8,309	\$9,421	\$10,891
\$2,016	\$3,016	\$1,522	Net Income to Common	(\$4,622)	\$3,930	\$7,935	\$8,309	\$9,421	\$10,891

Ir~~rporated
Holdings,
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National Forge

	12 Months Tun.00	1,110-00	Jun-01	Jun-02	Jun-03	Jun-04
(ALIZERADO E ANT MINUS ANTE ANTE	77-1110					
CASH STATEMENT BY ACTIVITY						
Operating Activity						
Working Capital (Uses)				į		6
Decr (Incr) in Acct. Rec.	(\$289)	\$324	(\$429)	(\$547)	(\$805)	(\$838)
Decr (Incr) in Escrow	(719)	(721)	(720)	(721)	(/7!)	(17/)
Dear (Incr) in Inventory	389	(37)	221	(099)	(857)	(869)
Dest (Incr.) in Other CA	100	14	∞	(18)	7	0
Dear (Incr) in Invest /A dvances-Equity	0	0	0	0	0	0
(Deed (med) in investigated Goodwill	(565)	(551)	(551)	(550)	(551)	(551)
(Deci) Allel III III Vest and Ocean III	6235	`c	0	0	0	0
Deer (Incr) in Deferred Charges	50	312	280	259	235	0
Dect (Incr) in Other L1 Assets	(896)	(113)	86	284	142	265
incr (Decr) in Accii, rayanie	531	(200)	(250)	(350)	0	0
Incr (Decr) in Taxes Layante	(885)	279	` m	Ś	(4)	0
Incr (Deer) in Quiet Cultette Diag.	382	640	809	640	959	0
Char	37	37	45	43	45	1,102
Onici						(61)
Total WC (Uses)	\$4,415	(\$7)	(\$687)	(\$1,606)	(\$1,850)	(\$10,13)
(aso I) omoon! is N	(\$4.622)	\$3,930	\$7,935	\$8,309	\$9,421	\$10,891
Depreciation & Amort.	3,867	4,187	4,420	4,694	4,969	3,912
Net Cash From Operations	\$3,660	\$8,110	\$11,668	\$11,397	\$12,540	\$13,190
Investment Activity						
Less Capital Expenditures	(4,590)	(4,582)	(4,594)	(4,572)	(4,611)	(4,611)
Financing Activities		:	3	(60	95.5	C
Less Purchase of Treasury Stock (ESOP Rep	(7,109)	(924)	(1,816)	(1,932)	(2,132)	יכ
Less Purchase Com. & Pref. Stock	5,548	5,260	1,500	1,500	1,500	0
I ess Cash Dividends	0	0	0	0	0	0
I ong Term Debt Issuance	(451)	(6,425)	(7,225)	(2,684)	(54)	0
Current Debt Change	540	(1,364)	800	(4,541)	(2,630)	(54)
Other Financial Activity Cash Sources (Uses,	28	0	0	0	0	0
Net Cash Incr (Decr) from Financing	(\$1,443)	(\$3,453)	(\$6,741)	(\$7,657)	(\$3,319)	(\$54)
		ř		(613)	4.610	8 525
Cash and Equiv. Incr (Decr) Change in Cash Balances	(2,373)	75	332	(832)	4,610	8,525

The Taxes Saved in the Current year are not accounted for in the Tax Shield Calculation

The Tax Shields were calculatedbased on savings for the next ten years

	12 Months Jun-99	Jun-00	Jun-01	Jun-02	Jun-03	Residual
CASH FLOWS						
Operating Income after non-ded, Depr.	\$8,186	\$7,370	\$10,386	\$10,260	\$10,847	\$12,103
Plus ESOP Contrib, incl. as Op. Exp.	5,545	5,259	005,1	000,1	000,1	>
On the + PSOP Contrib.	\$13,731	\$12,629	\$11,886	\$11,760	\$12,347	\$12,103
Less C.Com. Taxes @ 39%	(5,355)	(4,925)	(4,636)	(4,586)	(4,815)	(4,720)
Plus Denreciation & Amortization	3,867	4,187	4,420	4,694	4,969	4,969
1 1FO charge Add-back	0	0	0	С	0	0
WC net of charge on Def Taxes	(2,757)	6	(687)	(1,606)	(1,850)	(1,613)
Less Capital Expenditures	(4,590)	(4,582)	(4,594)	(4,572)	(4,611)	(4,611)
	\$4.896	\$7,302	\$6,389	\$5,690	\$6,040	\$6,128
of Off restrand offer 06/30/98	100%	100%	100%	100%	100%	100%
Cash Flow Applied to NPV	\$4,896	\$7,302	\$6,389	\$5,690	\$6,040	\$6,128
RESIDUAL VALUE						
Residual Value, assuming 4.5% long term growth of cash flows	growth of cash flow	Ŕ	Implied E	Implied EBIT Multiple 5.0	5.0	CapFactor
UNLEVERAGED FIRM VALUE						
Wolff dae Cash How	\$4.896	\$7,302	\$6,389	\$5,690	\$6,040	
Circy_Operating 1100 Cash 1000 Residual Value	58,792	59,462	61,134	63,733	66,334	
	889 693	\$66.763	\$67.523	\$69.423	\$72,374	
Iotal Cash Flows Unleveraged Cost of Equity	13.6%	13.6%	13.6%	13.6%	13.6%	
[mleveraged Firm Value (Jun-98)	\$56,084	\$58,792	\$59,462	\$61,134	\$63,733	
(
C-CORP VALUE OF TAX SHIELD VALUE FROM DEBT	ALUE FROM DEB	T & ESOP II	& ESOP IN CAPITAL STRUCTURE	TRUCTURE		
Dretay Income	(\$4,177)	\$4,177	\$8,388	\$8,907	\$10,147	\$11,730
Pre-Transaction ESOP Principal	5,545	5,259	1,500	1,500	1,500	0
Interest Expense	3,099	2,550	1,844	1,238	624	425
Pretax Unieveraged Income	\$4,467	\$11,986	\$11,732	\$11,645	\$12,271	\$12,155
Pretax Income (Leveraged)	(4,177)	4,177	8,388	8,907	10,147	11,730
Tax on Unleverseed Pretax Income	\$1,742	\$4,675	\$4,575	\$4,542	\$4,786	\$4,741
Tax on Leveraged Pretax Income	(1,629)	1,629	3,271	3,474	3,958	4,575
Tax Savings due to Interest + ESOP	\$3,371	\$3,046	\$1,304	\$1,068	\$828	\$166
NPV of Tax Shield (13.6% rate)	7,302	4,920	2,542	1,582	729	

Irarporated
Holdings, I
Company
ial Forge

S-CORP VALUE OF TAX SAVINGS						
Operating Income Plus: ESOP Contribution	\$8,186 5,545	\$7,370 5,259	\$10,386 1,500	\$10,260	\$10,847	
Adjusted Operating Income	\$13,731	\$12,629	\$11,886	\$11,760	\$12,347	
Less: Total Taxes (UK & US) at 39% Less: UK Taxes	\$5,355 (445)	\$4,925 (247)	\$4,636 (453)	\$4,586 (598)	\$4,815 (726)	
Total Taxes Saved Taxes Saved under C-Corp	\$4,910	\$4,678 \$3,046	\$4,183 \$1,304	\$3,988	\$4,089	\$4,089
Incremental Tax Savings % Of Savings Applied Total Tax Savings Applied	\$1,539 100% \$1,539	\$1,633 100% \$1,633	\$2,878 100% \$2,878	\$2,921 100% \$2,921	\$3,261 100% \$3,261	\$3,924 100% \$3,924
(etc. /6) (1) (1) (1) (1) (1) (1)	513 975	\$15.475	\$16,139	\$16,855	\$17,369	\$17,369

The Taxes Saved in the Current year are not accounted for in the Tax Shield Calculation

The Tax Shields were calculatedbased on savings for the next ten years

SHMMABV	Jun-98	Jun-99	Jun-00	Jun-01	Jun-02	
SOUTHWANT						
TILL TO THE PARTY OF THE PARTY	\$56.084	\$58.792	\$59,462	\$61,134	\$63,733	
Onieverageu Filmi y aine	7 202	4 020	2 542	1.582	729	
C-Corp. PV of Interest & ESOP 18x Spield	40 Cr.	24/1	1			
S. Com PV of Incremental Tax Shield	13,925	15,475	16,139	16,855	17,309	
DV Mitchell NOI Unlevered	175	0	0	0	0	
	************	***********				
and all and	877.485	\$79.187	\$78,142	\$79,571	\$81,831	
Mainer Capital Value	(806 563)	(809 609)	(821.819)	(\$15.394)	(\$8,168)	
Less: Capital Debt + Buyout Debt	(025,554)	(200,520)	() () ()	(10000)	(800 06)	
I ees: Non-Tax Adiusted SAR Value	(\$2,087)	(\$2,240)	(\$2,468)	(\$2,974)	(\$7.5.74)	
Direct Descent Carls and Buyout	\$4.853	\$3,707	\$3,781	\$4,114	\$3,282	
Flus: Excess Casil post Dayout			***************************************			
	044 850	\$51.050	\$57.640	\$65.320	\$73,970	
Total Mkt. Control Equity value	20,4	2000	2000	(0000)	(000	
Marketability Discount (5.0%)	(2,240)	(2,550)	(2,880)	(3,270)	(3,700)	

O	\$42 610	\$48,500	\$54,760	\$62,050	\$70,270	
Control Equity Value						
(after Marketability Discount)						
Sharas Outstanding	620	620	620	620	620	
Cliates Catalancing	76 07	78 27	88 37	100.14	113.40	
Per Share Value	00.70	17:02				

C-7

		12 Months Jun-99	Jun-00	Jun-01	Jun-02	Jun-03
	DEBT AMORTIZATION					
	Total Debt Sum of Debt below	\$29,519				
		%00 6	9 00% Int. Rate	7	Term (Yrs Remaining)	naining)
	INF. Burnibe Beginning Balance	\$5,430	\$5,430	\$5,430	\$5,430	\$5,430
	Degining Datance Principal Payment (Borrowing)	0		0	0	0
	Interest Payment	495		458	44.2	624 624
	Ending balance	5,430	5,430	5,430	5,430	5,430
	Total P&I	\$495	\$474	\$458	\$442	\$425
	Chase Tern Loan	8.50%	Int.	7	Term (Yrs Remaining)	naining)
	Beginning Balance	\$21,411	\$1	\$10,459	\$5,585	\$525
	Principal Payment (Borrowing)	4,565	6,387	4,874	5,060	525
``	Prepayment	0	0	0	0	0 !
	Interest Payment	1,820		889	475	45
	Ending balance	16,846	10,459	5,585	525	0
		\$6.385	\$7,819	\$5,763	\$5,535	\$570
	, , , , , , , , , , , , , , , , , , ,		li 			-
	MET.E. Pingling & Can Lease	4.6%	Int. Rate	7	Term (Yrs Remaining)	
	Beginning Balance	\$460	\$267	\$182	\$93	\$0
	Principal Payment (Borrowing)	193	∞	80	5.6	C
	Prepayment	0		0	0	> ·
	Interest Payment	17		9 0	7 (
	Ending balance	267	182	93	>	>
	Total P&I	\$210	\$6\$	\$6\$	\$95	\$0
	Buyout Loan	10.6%	Int. Rate	'n	Term	maining)
	Beginning Balance	\$5,882	\$4,706	\$3,529	(7)	\$1,176
	Principal Payment (Borrowing)	1,176	1.176	1.176	1.176	1,176
	Prepayment	0				,
	Interest Payment	561		312		62
	Ending balance	4,706	3,529	2,353	1,176	0
	Total P&I	\$1,738	\$1,613	\$1,488	\$1,363	\$1,239
	MS Overdraft Beserve	7.0%	Int. Rate		Тегт (Yrs Remaining)	
	Desiration Delence	\$705	\$555	\$152	\$149	\$74
	Deginning Daimer (Borrowing)	150		Γ.	7.5	74
	Fincipal rayment (Donowing)	0		0	0	0
	Fighty British	44	1 25	==	8	ĸ
	Ending balance	555	152	149	74	0
	, de	7613	\$428	\$14	\$83	\$77
	lotal roci					

	The state of the s	חמי נווטנ	rnorated		45.00	
	National Forge Company troum	À T	- L		Projected Performance	formance
		\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	NA Int. Rate	r4	Term (Yrs Remaining)	uning)
	NW Forgeniasters Overform	5228	\$602	\$856	\$794	\$416
	Beginning balance	(474)	(254)	62	378	362
	Principal Fayment (Doitowing)		Ċ	0	0	0
	Prepayment) 1	85.	6.4	51	63
	Interest Payment Ending balance	602	856	794	416	54
	Total P&1	(\$330)	(\$196)	\$126	\$429	\$425
	•					
	MS Capital Faulument Lease	9.5% Int. Rate	t. Rate	C1	Term (Yrs Remaining)	aining)
	Deniming Relance	\$1,282	\$1,203	\$1,211	\$990	\$547
	Degining Datance	7.9	(8)	221	443	547
	Frincipal rayment (Donowing)	: c	O	С	0	0
	Prepayment	811	- 13	105	7.3	36
	Interest Payment Buding halance	1,203	1,211	066	547	0
			i d	200	7133	\$573
	Total P&I	\$197	/018	3370	0100	
~	and Company Danism	I VZ	NA Int. Rate	7	Term (Yrs Remaining)	
	nto Capital Especialistica Section Description	0\$	\$0	\$0	80	20
	Degilling Datance	0	0	0	0	0
	Filicipal rayilen (Denoming)	0	0	0	С	0
	interessy, rayment	0	0	0	0	0
	-Ending Dalance	•				;
	Total P&I "-	\$0	\$0	\$0	\$0	\$0
				919246711	(Vrs Remaining)	Remainine
	Total Debt			3.114277818	746 1419	60 160
	Beginning Balance	\$35,398	\$29,609	\$21,819	^	901100
	Principal Payment (Borrowing)	\$5,789	\$7,789	\$6,425	21,7	77,084
	Descriptions	20	\$0	\$0	\$0	\$0
	Tichaymoni I-tonor Boximoni	\$3,099	\$2,550	\$1,844	\$1,238	\$624
	Ending balance	29,609	21,819	15,394	8,168	5,484
		58 117	\$9.527	\$7,346	\$6,993	\$1,808
	I otal P cc.					
	Short Term Debit	7,789	6,425	7,225	2,684	55
	Long Term Debt	21,819	15,394	8,168		5,430

National Forge Company Holdings, Inarporated

National Forge Company morangs, in a portion	inings, ir	na rod r.	3	Projected Performance	rformance	
	12 Months Jun-99	Jun-00	Jun-01	Jun-01 Jun-02	Jun-03	Residual
DEPRECIATION SCHEDULE						
Capital Expenditures Req'd.	\$4,590	\$4,582	\$4,594	\$4,572	\$4,611	\$4,611
Total Depreciation on New Assets Depreciation on Existing Assets	3,740	3,325	\$1,377	\$1,834 2,494	\$2,295 2,078	\$2,756 1,663
Total Depreciation Expense	\$ 2,802 \$	3,122	\$ 3,363 \$	\$ 3,637 \$	\$ 3,912	\$4,419
Beginning Fixed Assets Less: Depr. (see Assumptions page) Plus: Capital Exp.	\$27,757 (2,802) 4,590	\$29,545 (3,122) 4,582	\$31,005 (3,363) 4,594	\$32,236 (3,637) 4,572	\$33,171 (3,912) 4,611	\$33,870 (3,912) 4,611
Ending Fixed Assets	\$29,545	\$31,005	\$32,236	\$33,171	\$33,870	\$34,569

Exhibit D: Hypothetical ESOP Valuation – S Corporation Capitalizing Taxes Saved in Perpetuity

12/14/98

76-u11	86-nnT.		12 Months Jun-99	Jun-00	Jun-01	Jun-02	Jun-03	Jun-04
		BALANCE SHEET						
		S.E.430 Y				•		
23 24	066 330	Asserts Cash & Short Term Investments	\$3,957	\$4,031	\$4,364	\$3,532	\$8,142	\$16,666
1+0,00	000,00	Destricted Recrow	106	1,622	2,342	3,063	3,784	4,505
	7014	Account Decembrable	17.176	16,852	17,281	17,828	18,630	19,468
13,189	/00'01	Accounts incompanie	17.987	18.024	17,803	18,463	19,320	20,189
18,979	0/5,51	All Venicol 3 Other Current Assets	677	663	655	673	099	999
\$36,212	\$42,552	Total Current Assets	\$40,698	\$41,192	\$42,445	\$43,559	\$50,542	\$61,495
			373 006	\$31.005	916 618	\$33,171	\$33,870	\$34,569
\$25,559	\$27,757	Property, Plant & Equipment - Net	045,546	00.10		0	0	0
0	0 (Investments & Advances - Eq. Method	o c	0	0	0	0	0
0 ;	0 110	Investments & Advances - Other	9 808	9.257	8,706	8,156	7,605	7,054
4,619	10,5/5	Intangloles	0	0	0	0	0	0
6,443	6,235	Deferred Charges Other Assets	9,742	9,430	9,150	8,891	8,656	8,656
	736 306		\$89.793	\$90.884	\$92,537	\$93,777	\$100,673	\$111,774
363,290	400.04	Lotal Assets						
4	1 1	LIABILATES The in Company Tabilities	87 789	\$6,425	\$7,225	\$2,684	\$54	80
35,646	57,749	Deot in Current Etablines	5.467	5.354	5,452	5,736	5.878	6,143
4,589	696,0	Accounts rayavie	006	200	450	100	100	100
8 333	9.355	Other Current Liabilities	8,470	8,749	8,752	8,757	8,753	8,753
	200000	1 :- T	\$22.626	\$21.228	\$21,879	\$17,277	\$14,785	\$14,996
\$18,568	\$25,550	Total Cuffellt Liabilities	1					
32,119	33,010	Post Retirement Health Benefit Obligations	33,029	33,828	34,586	35,298	35,954	35,954
9.561	22,270	Total Long Term Debt	21,819	15,394	8,168	5,484	5,430	5,430
0	0	Deferred Taxes	0	0	0	Q.	o :	D (
1,278	0	Post Retirement Pension Obligations	363	213	63	0	0	0
\$61,526	\$78,616	Total Liabilities	\$77,838	\$70,663	\$64,697	\$58,059	\$56,169	\$56,380
203	9	South Stone	0	0	Û	С	0	\$0
35,000	,	Common Stock	∞	6	6	6	6	6
781 17	17 433	Canital Sumits	22,978	28,237	29,737	31,237	32,737	32,737
C31.C1	1 333	Retained Farmings	(3,289)	641	8,576	16,885	26,307	37,198
(200)		Less Treasury Stock, Contra Equity	(7,742)	(8,666)	(10,482)	(12,414)	(14,549)	(14,549)
		1	511065	820 221	827 840	535 717	\$44.504	\$55.395
\$21,770	\$18,138	Lotal Equities	CCC,110	1 22 0 20	2		<u>.</u>	
\$83,296	\$96,754	Total Liabilities & Equities	\$89,793	\$90,884	\$92,537	\$93,777	\$100,673	\$111,774

	Incorporated
	Holdings,
	Compary]
	l Forge (
1	National F

Jun-04		\$107,664	84,656	\$23,008	\$10,905	\$12,103	52 (47.5)	0 0	\$11,730	(839)	\$10,891	\$10,891	\$10,891
Jun-03		\$103,028	81,011	\$22,017	\$10,585	\$11,432	(713) 3	(470)	\$10,147	(726)	\$9,421	\$9,421	\$9,421
Jun-02		\$98,780	77,506	\$21,274	\$10,429 0	\$10,845	(742) \$	(865,1)	\$8,907	(598)	\$8,309	\$8,309	\$8,309
Jun-01		\$96,061	74,826	\$21,235	\$10,264	\$10,971	(771) \$	(1,844)	\$8,388	(453)	\$7,935 0	\$7,935 0	\$7,935
Jun-00		\$94,099	75,694	\$18,405	\$10,450	\$7,955		(2,550)	\$4,177	(247)	\$3,930	\$3,930 0	\$3,930
12 Months Jun-99		\$94.821	75,595	\$19,226	\$10,455	\$8,771	\$ (1,182) \$	(3,099)	(\$4,177)	(445)	(\$4,622)	(\$4,622)	(\$4,622)
	INCOME STATEMENT	Nat Calac	Cost of Goods Sold (Including COGS Depree.	Gross Profit	SGA (Excl. Depr & Amort) SGA D&A (Incl. Financing Costs Amort.)	Operating Income after Deprec.	Other Expense (incl. Fin & Other Amort) Interest Income (NF Components)	Interest (Expense) Special Item Income (Expense)	Ргетах Іпсоте	Income Tax	Net Income before E&D Extra. Income (Expense) & Disc. Operations	Net Income after E&D Preferred Dividends	Net Income to Common
Jun-98		100 404	71,634	\$16,167	\$9,125 0	\$7,042	(\$1,057)	(1,958) 0	\$4,027	1,519	\$2,513	\$1,790-	\$1,522
.Jun-97		0 6	69,932	\$18,015	\$9,622 0	\$8,393	(\$875)	(2,224)	\$5,294	1,928	\$3,366	\$3,366	\$3,016
96-411		000	388,954 72,608	\$16,344	\$9,045 0	\$7,299	(\$683)	(3,053)	\$3,563	1,196	\$2,367	\$2,367	\$2,016

National Forge Company Moramgo, a	v (agruma)		,	Projected Performance	rformance	
	12 Months Jun-99	Jun-00	Jun-01	Jun-02	Jun-03	Jun-04
CASH STATEMENT BY ACTIVITY						
Operating Activity						
Working Capital (Uses)						
Decr (Incr) in Acct. Rec.	(\$289)	\$324	(\$429)	(\$547)	(\$805)	(\$838)
Dear (Incr) in Escrow	(719)	(721)	(720)	(721)	(721)	(721)
Deer (Incr) in Inventory	389	(37)	221	(099)	(857)	(898)
Dear (Incr) in Other CA	100	14	∞	(18)	7	0
Decr (Incr) in Invest/Advances-Equity	0	0	0	0	0	0
(Decr) Incr in Invest and Goodwill	(565)	(155)	(551)	(550)	(1551)	(155)
Deer (Incr) in Deferred Charges	6,235	0	0	0	0	0
Decr (Incr) in Other I.T Assets	95	312	280	259	235	0
,	;		6	č	27.	376

Working Capital (Uses)						
Deer (Incr) in Acct. Rec.	(\$289)	\$324	(\$429)	(\$547)	(\$805)	(\$838)
Decr (Incr) in Escrow	(719)	(721)	(720)	(721)	(721)	(721)
Deer (Incr) in Inventory	389	(37)	221	(099)	(857)	(898)
Decr (Incr) in Other CA	100	14	∞	(18)	7	0
Decr (Incr) in Invest./Advances-Equity	0	0	0	0	0	0
(Decr.) Incr in Invest and Goodwill	(565)	(155)	(551)	(550)	(155)	(551)
Decr (Incr) in Deferred Charges	6,235	0	0	0	0	0
Decr (Incr) in Other LT Assets	95	312	280	259	235	0
Incr (Decr) in Acct. Payable	(968)	(113)	86	284	142	265
Incr (Decr) in Taxes Payable	531	(200)	(250)	(350)	0	0
Incr (Deer) in Other Current Liab.	(882)	279	m	5	(4)	0
Pension Liability Increase	382	649	809	649	959	0
Other	37	37	45	43	45	1,102
Total WC (Uses)	\$4,415	(\$7)	(\$687)	(\$1,606)	(\$1,850)	(\$1,613)
No. 1 (Soc.)	(\$4,622)	\$3,930	\$7,935	\$8,309	\$9,421	\$10,891
Description 9. Amen	7 867	4 187	4.420	4.694	4.969	3,912
Depreciation & Amon.	00.0	24.5				
Net Cash From Operations	\$3,660	\$8,110	\$11,668	\$11,397	\$12,540	\$13,190
Investment Activity						:
Less Capital Expenditures	(4,590)	(4,582)	(4,594)	(4,572)	(4,611)	(4,611)
Financing Activities						
Less Purchase of Treasury Stock (ESOP Rep	(7,109)	(924)	(1,816)	(1,932)	(2,135)	0
Less Purchase Com. & Pref. Stock	5,548	5,260	1,500	1,500	1,500	0
Less Cash Dividends	0	0	0	0	0	0
Long-Term Debt Issuance	(451)	(6,425)	(7,225)	(2,684)	(54)	0
Current Debt Change	540	(1,364)	800	(4,541)	(2,630)	(54)
Other Financial Activity Cash Sources (Uses.	28	0	0	0	0	0
Net Cash Incr (Decr) from Financing	(\$1,443)	(\$3,453)	(\$6,741)	(\$7,657)	(\$3,319)	(\$54)
Cash and Equiv. Incr (Decr)	(2,373)	7.5	332	(832)	4,610	8,525
Change in Cash Balances	(2,373)	75	332	(832)	4,610	8,525

The Taxes Saved in the Current year are not accounted for in the Tax Shield Calculation

The Tax Shields were calculatedbased on savings for the next ten years

National Forge Company Holdings, Ir rporated

Projected Performance

\$8.186 \$5.545 \$13,731 \$1 \$13,731 \$1 \$13,731 \$1 \$1,867 \$1,867 \$1,896 \$5 \$100% \$4,896 \$5 \$10,896 \$5 \$13,6% \$13,6% \$13,6% \$13,6% \$13,6% \$13,6% \$14,177 \$5 \$1,742 \$1,742 \$1,742 \$1,742 \$1,742	Jun-99 Jun-00	Jun-01	Jun-02	Jun-03	Residual
Operating Income after non-ded. Depr. \$8,186 \$7,3 Plus ESOP Contrib. incl. as Op. Exp. \$1,545 \$1,25 Op. Inc. + ESOP Contrib. \$13,731 \$12,6 Less C-Corp. Taxes @ 39% \$13,731 \$12,6 Plus Depreciation & Amortization \$1,657 4,1 LIPO charge Add-back \$2,757 4,590 4,590 LIPO charge Add-back \$2,757 4,590 4,590 Net Cash Flow \$4,896 \$7,7 Net Cash Flow \$4,896 \$7,7 % of CF realized after 06/30/98 \$4,896 \$7,7 Residual Value \$4,896 \$7,7 Residual Value \$6,70 \$8,792 \$9,7 Residual Value \$6,70 \$8,792 \$9,7 Unleveraged Firm Value (Jun-98) \$5,60 \$1,00 Unleveraged Firm Value (Jun-98) \$5,60 \$1,00 C-CORP VALUE OF TAX SHIELLD VALUE FROM DEBT & E8 \$1,00 Pretax Income \$2,467 \$1,17 Pretax Unleveraged Pretax Income \$4,177 \$4,177 Pret					
Pius ESOP Contrib. incl. as Op. Exp. 5,545 5,2	186 \$7,370	\$10,386	\$10,260	\$10,847	\$12,103
Op. Inc. + ESOP Contrib. \$113,731 \$12,6 Less C-Corp. Taxes @ 39% (5,355) (4,35) Plus Depreciation & Amortization 0 3,867 (4,11) LIFO charge Add-back (2,757) (4,590) (4,59		1,500	1,500	1,500	0
Less C.Cop. Taxes @ 39% Plus Depreciation & Amortization LiFO charge Add-back WC net of charge and Def Taxes Less Capital Expenditures Less Capital Expenditures Less Capital Expenditures Less Capital Expenditures Residual Expenditures Residual Value Residual Value UNLEVERAGED FIRM VALUE UNLEVERAGED FIRM VALUE Residual Value Cash Flows UNLEVERAGED FIRM VALUE UNLEVERAGED FIRM VALUE Unleveraged Cost of Equity Unleveraged Cost of Equity Unleveraged Firm Value (Jun-98) Soft, Soft, Soft, Soft, Soft, Soft, Soft, C-CORP VALUE OF TAX SHIELD VALUE FROM DEBT & ESS Pretax Income C-CORP VALUE OF TAX SHIELD VALUE FROM DEBT & ESS Interest Expense Pretax Income C-CORP VALUE OF TAX SHIELD VALUE FROM DEBT & Soft,		\$11,886	\$11,760	\$12,347	\$12,103
Pice charge Add-back	_	(4,636)	(4,586)	(4,815)	(4,720)
Cash Flow		4,420	4,694	4,969	4,969
WC net of charge on Def Taxes (4,590) (4,590) (4,590) (4,590) (4,590) (4,590) (4,590) (4,590) (4,177) (1,629) (1,629) (1,629) (4,177) (1,629) (4,590) (4,177)		0	0	0	0
Action Cash Flow Cash Fl		(687)	(1,606)	(1,850)	(1,613)
Net Cash Flow	(4,5	(4,594)	(4,572)	(4,611)	(4,611)
100% of CF realized after 06/30/98 100% S4,896 S7,3 Cash Flow Applied to NPV	896 \$7,302	\$6,389	\$5,690	\$6,040	\$6,128
RESIDUAL VALUE RESIDUAL VALUE Residual Value, assuming 4.5% long term growth of cash flows UNLEVERAGED FIRM VALUE Unlev. Operating Free Cash Flow Sa.792 Sa.792 Sa.772 Total Cash Flows Unleveraged Cost of Equity Unleveraged Cost of Equity Unleveraged Firm Value (Jun-98) Pretax Income S.56.084 S.88.7 C-CORP VALUE OF TAX SHIELD VALUE FROM DEBT & ESS Pretax Income S.745 Pretax Unleveraged Income S.7467 S4.177 Pretax Unleveraged Income S.7467 Tax on Unleveraged Pretax Income (1,029) I.177 Tax on Leveraged Pretax Income		%001	100%	100%	100%
Residual Value Residual Value Residual Value UNLEVERAGED FIRM VALUE Unlev_Operating Free Cash Flow Ss, 1996 Ss, 792 Ss, 792 Ss, 792 Ss, 792 Ss, 792 Ss, 792 Total Cash Flows Unleveraged Cost of Equity Unleveraged Cost of Equity Unleveraged Firm Value (Jun-98) Ss, 792 Ss, 792 Ss, 792 Ss, 792 Ss, 793 Unleveraged Cost of Equity Unleveraged Firm Value (Jun-98) Ss, 556, 084 Ss, 792 Ss, 793 Ss, 792 Ss, 793 Ss, 793 Ss, 793 Ss, 793 Ss, 793 Ss, 793 Ss, 794 Ss, 793 Ss, 794 S	,896 \$7,302	\$6,389	\$5,690	\$6,040	\$6,128
Residual Value, assuming 4.5% long term growth of eash flows UNLEVERAGED FIRM VALUE Unlev. Operding Free Cash Flow Residual Value Total Cash Flows Unleveraged Cost of Equity Unleveraged Cost of Equity C-CORP VALUE OF TAX SHIELD VALUE FROM DEBT & EST Pretax Income Pretax Unleveraged Income S,545 Pretax Unleveraged Income S,546 Tax on Unleveraged Pretax Income (4,177) Tax on Leveraged Pretax Income (1,029) 1.14					
UNLEVERAGED FIRM VALUE Unlev_Operating Free Cash Flow Residual Value Total Cash Flows Unleveraged Cost of Equity C-CORP VALUE OF TAX SHIELD VALUE FROM DEBT & ESC Pretax Income Pretax Unleveraged Income St,545 Pretax Unleveraged Income St,545 Tax on Unleveraged Pretax Income (4,177) Tax on Leveraged Pretax Income (1,029) 14,177 14,177 Tax on Leveraged Pretax Income (1,029)	sh flows	Implied E	Implied EBIT Multiple 5.0	0:	CapFactor
Unlev. Operating Free Cash Flow \$4,896 \$773 Residual Value					
Total Cash Flows		\$6,389	\$5,690	\$6,040	
Total Cash Flows S63,688 S66,7	704,462 76/	+C1,10	65,'50	+00,00	
Unleveraged Cost of Equity 13.6% 13.00 Unleveraged Firm Value (Jun-98) 555,084 558,7 C-CORP VALUE OF TAX SHIELD VALUE FROM DEBT & ESS Pretax Income (\$4,177) \$4,1 Interest Expense 3,099 2.7 Pretax Unleveraged Income \$4,467 \$11,5 Pretax Unleveraged Pretax Income (Leveraged) (4,177) 4,7 Tax on Unleveraged Pretax Income (1,029) 1,1 Tax on Leveraged Pretax Income (1,029)	×.	\$67,523	\$69,423	\$72,374	
Unleveraged Firm Value (Jun-98)	3.6% 13.6%	13.6%	13.6%	13.5%	
C-CORP VALUE OF TAX SHIELD VALUE FROM DEBT & ESS Pretax Income Pretax Income Sprincipal	<u> </u>	\$59,462	\$61,134	\$63,733	
(\$4,177) 5,545 3,099 84,467 \$1 (4,177) \$1,742 \$1,742	1 DEBT & ESOP IN	CAPITALS	TRUCTURE		
\$,545 3,099 \$4,467 \$1,742 \$1,742 \$1,742	.177) \$4,177	\$8,388	\$8,907	\$10,147	\$11,730
3,099 \$4,467 \$1 (4,177) \$1,742 (1,629)		1,500	1,500	1,500	0
\$4,467 \$1 (4,177) \$1,742 \$ (1,629)	,099 2,550	1,844	1,238	624	425
(4,177) \$1,742 (1,629)	,467 \$11,986	\$11,732	\$11,645	\$12,271	\$12,155
\$1,742 (1,629)	4,177	8,388	8,907	10,147	11,730
	,742 \$4,675 ,629) 1,629	\$4,575 3,271	\$4,542 3,474	\$4,786 3,958	\$4,741 4,575
Tax Savings due to Interest + ESOP \$3,371 \$3,0	,371 \$3,046	\$1,304	\$1,068	\$828	\$166
NPV of Tax Shield (13.6% rate) 7,302 4,5	,302 4,920	2,542	1,582	729	

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12/14/98

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pany Holc	
 orge Com	
National Forge Company Holdings, Ir	

	-					
Operating Income Plus: ESOP Contribution	\$8,186 5,545	\$7,370 5,259	\$10,386	\$10,260	\$10,847	
Adjusted Operating Income	\$13,731	\$12,629	\$11,886	\$11,760	\$12,347	
Less: Total Taxes (UK & US) at 39% Less: UK Taxes	\$5,355 (445)	\$4,925 (247)	\$4,636 (453)	\$4,586 (598)	\$4,815 (726)	
Total Taxes Saved Taxes Saved under C-Corp	\$4,910	\$4,678 \$3,046	\$4,183	\$3,988	\$4,089 \$828	\$4,273
Incremental Tax Savings % Of Savings Applied Total Tax Savings Applied	\$1,539 100% \$1,539	\$1,633 100% \$1,633	\$2,878 100% \$2,878	\$2,921 100% \$2,921	\$3,261 100% \$3,261	\$4,108 100% \$4,108
NPV of Tax Shield (13.6% rate)	\$17,871	\$18,856	\$18,878	\$18,865	\$18,551	

The Taxes Saved in the Current year are not accounted for in the Tax Shield Calculation

The Tax Shields were calculatedbased on savings for the next ten years

SUMMARY.	Jun-98	Jun-99	Jun-00	Jun-01	Jun-02	
Unleversoed Firm Value	\$56,084	\$58,792	\$59,462	\$61,134	\$63,733	
Com DV of Interest & FSOP Tax Shield	7,302	4.920	2,542	1,582	729	
S.Com PV of Incremental Tax Shield	17,871	18,856	18,878	18,865	18,551	
PV Mitchell NOL, Unlevered	175	0	0	0	0	
	601 437	095 683	\$80.882	\$81.582	\$83.014	
Market Capital Value	364,108	(\$29,609)	(\$21,819)	(\$15,394)	(\$8,168)	
Less: Capital Deol + Buyout Deol I am Non Tox Adjusted SAB Velue	(\$2.087)	(\$2.240)	(\$2,468)	(\$2,974)	(\$2,974)	
Dine: Hypers Cash nost Buyout	\$4,853	\$3,707	\$3,781	\$4,114	\$3,282	
Tids. Exercise Charles and car						
Total Mtt Control Bonity Value	\$48.800	\$54,430	\$60,380	\$67,330	\$75,150	
Marketability Discount (5.0%)	(2,440)	(2,720)	(3,020)	(3,370)	(3,760)	
Control Equity Value	\$46,360	\$51,710	\$57,360	\$63,960	\$71,390	
(after Marketshility Discount)	2					
Shares Outstanding	620	620	620	620	620	
Per Share Value	74.82	83.45	92.57	103.22	115.21	

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	National Forge Company Holdin		Incorporated	þ	Projected Performance	rformance
		12 Months Jun-99	Jun-00	Jun-01	Jun-02	Jun-03
	DEBT AMORTIZATION					
	Total Debt Sum of Debt below	\$29,519 \$35,398				
	NF Europe Beginning Balance	9.00%	Int. Rate \$5,430	7 \$5,430	Term (Yrs Remaining) \$5,430 \$5	1aining) \$5,430
	Principal Payment (Borrowing)	0	0 474	0 854	0 44 2	425
	interest rayment Ending balance	5,430	5,430	5,430	5,430	5,430
	Total P&I	\$495	\$474	\$458	\$442	\$425
	Chase Term Loan	8.50%	Int. Rate	7	Term (Yrs Remaining)	naining) \$525
	Беginning Багапсе Principal Payment (Вотоwing)	4.565	6,387	4.874	5,060	525
S	Prepayment	0	0 ;	0	0 37.4	0 4
	Interest Payment Ending balance	1,820	10,459	5,585	525	0
	Total P&I	\$6,385	\$7,819	\$5,763	\$5,535	\$570
	. 6					
	MELE, Pipeline & Cap Lease		Int. Rate	7	Term (Yrs Remaining)	
	Beginning Balance	5460	\$267 85	\$187 80	595) (
	Fillicipal Fayment (Bottowing) Prepayment	0	90	0	. 0	0
	Interest Payment	17	10	9	2	0
	Ending balance	267	182	93	0	0
	Total P&I	\$210	\$6\$	\$95	\$95	0\$
			į.			(6 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,
	Buyout Loan	10.0%	int. Kate 54 706	53 579	1 erm (1 rs Nemanning) \$7 353	\$1.176
	beginning balance Principal Payment (Borrowing)	1,176	1,176	1,176	1,176	1,176
	Prepayment	0	0	,		(
	Interest Payment Ending halance	561 4.706	3.529	312	1,176	0
	Total P&I	\$1.738	\$1,613	\$1,488	\$1,363	\$1,239
	MS Overdraft Reserve	7.0%	Int. Rate		Term (Yrs Remaining)	
	Beginning Balance	\$705	\$555	\$152	\$149 75	4/4 4/4
	Fincipal Faymen (Bollowing) Prepayment	0	0	. 0	0	0
	Interest Payment	44	25	11	8 47	r 0
	First Scanning				6	6
	Total P&I	\$194	\$428	\$14	\$83	2//

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				Projected P	Projected Performance	
	12 Months					
	Jun-99	Jun-00	Jun-01	Jun-02	Jun-02 Jun-03	Residual
DEPRECIATION SCHEDULE						
Capital Expenditures Req'd.	\$4,590	\$4,582	\$4,594	\$4,572	\$4,611	\$4,611
Total Depreciation on New Assets	\$459	\$917	\$1,377	\$1,834	\$2,295	\$2,756
Depreciation on Existing Assets	3,740	3,325	2,909	2,494	2,078	1,663
Total Depreciation Expense	\$ 2,802	1.0	\$ 3,363 \$	3,637	65	\$4,419
Beginning Fixed Assets	\$27,757	\$29,545	\$31,005	\$32,236	\$33,171	\$33,870
Less: Depr. (see Assumptions page)	(2,802)	(3,122)	(3,363)	(3,637)	(3,912)	(3,912)
Ending Fixed Assets	\$29,545	\$31,005	\$32,236	\$33,171	\$33,870	\$34,569
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